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1981/06/16



***	Current Classification ***	CONF	IDENTIAL
***	Current Handling Restriction	ns ***	n/a

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DATE= 16 JUN 81

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FROM= SECRETARY OR-M
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DRAFTER= n/a

OFFICE= ACTION SS

TO= STATE TRR Date: 12/1/96 IS/FPC/CDR DEPARTMENT OF STATE (LI STEASE (LIDECTASSIFY MR Cases Only: CHANNEL= n/a () DLC A said a é0 Citations, 11 PART 105 6 ORIGHAND= n/a TS authority, tos . 1 Data:TE Non-Responsive Into () CLASSIFY as () S or FOIA exemptions () DOWNGRADE TS to () S or PA Exemptions_ ORIGPHAND= n/a

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EO= GS 19870616 SEITZ, R G H

SUBJECT= MESSAGE TO SECRETARY REGAN: SECRETARY HAIG'S MEETING WITH BO YIBO

REFERENCE= n/a

CONTROL_NBR= n/a

ENCLOSURE= n/a

LOCATOR= TEXT ON-LINE, ON MICROFILM

ERRORS= N/A

CONCEPTS= SECTO, SALES, ECONOMIC COOPERATION, AGRICULTURAL AGREEMENTS, MEETINGS

TAGS= OVIP, EAGR, ECON, US, CH, (HAIG, ALEXANDER M JR), (BO YIBO)

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INFO OCT-01 ADS-00 EA-10 SSO-00 TRSE-00 CCO-00 /026 W

O 160120Z JUN 81 ZFF-6 FM USDEL SECRETARY IN BEIJING TO SECSTATE WASHDC IMMEDIATE 5849

CONFIDENTIAL SECTO 04067

STATE PLEASE PASS TO TREASURY

E.O. 12065: GDS 6/15/87 (SEITZ, R.G.H.)
TAGS: OVIP (HAIG, ALEXANDER M.), CH
SUBJECT: MESSAGE TO SECRETARY REGAN:
SECRETARY HAIG'S MEETING WITH BO YIBO

- 1. (CONFIDENTIAL ENTIRE TEXT).
- 2. DURING MY MEETING WITH VICE PREMIER BO YIBO TODAY, I MENTIONED THAT YOU WERE LOOKING FORWARD TO HEADING THE U.S. SIDE IN THE NEXT JOINT ECONOMIC COMMISSION MEETING TO BE HELD IN CHINA. BO WELCOMED THIS PROSPECT, AGREED TO HOLD THE JEC IN CHINA SOMETIME THIS AUTUMN, AND SUGGESTED THAT SPECIFIC ARRANGEMENTS BE WORKED OUT THROUGH DIPLOMATIC CHANNELS.
- 3. I ALSO FLAGGED THE CONCERNS OF AMERICAN BUSINESSMEN ABOUT POSSIBLE DUAL TAXATION PROBLEMS POSED BY PRC TAX LAWS, AND RELAYED YOUR OFFER TO SEND TAX EXPERTS TO CHINA TO DISCUSS THE PROBLEM. BO ACKNOWLEDGED THAT A PROBLEM EXISTS, AND THAT CHINESE AUTHORITIES ARE NOT SUFFICIENTLY FAMILIAR WITH OUR TAX LAWS. HE WELCOMED THE PROSPECT OF DISCUSSIONS WITH U.S. SPECIALISTS, AND INDICATED ARRANGEMENTS FOR SUCH EXCHANGES COULD BE WORKED OUT THROUGH DIPLOMATIC CHANNELS.

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4. MAC BALDRIDGE'S PROPOSAL TO CREATE A NEW JOINT COMMISSION ON COMMERCE AND TRADE WAS ALSO PUT FORWARD. BO REACTED AFFIRMATIVELY AND AGREED TO ENTERTAIN A

SPECIFIC PROPOSAL WITHIN THE NEXT MONTH. WHEN I RETURN FROM MY TRIP, WE SHOULD SIT DOWN TOGETHER AND CONSIDER HOW THE NEW COMMISSION CAN COMPLEMENT THE JEC, AND HOW BOTH CAN BE USED TO EXPAND U.S. COMMERCIAL OPPORTUNITIES IN CHINA BY ENCOURAGING CHINA'S MODERNIZATION. WARM REGARDS, AL. HAIG

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*** Current Handling Restrictions *** n/a

*** Current Classification *** CONFIDENTIAL